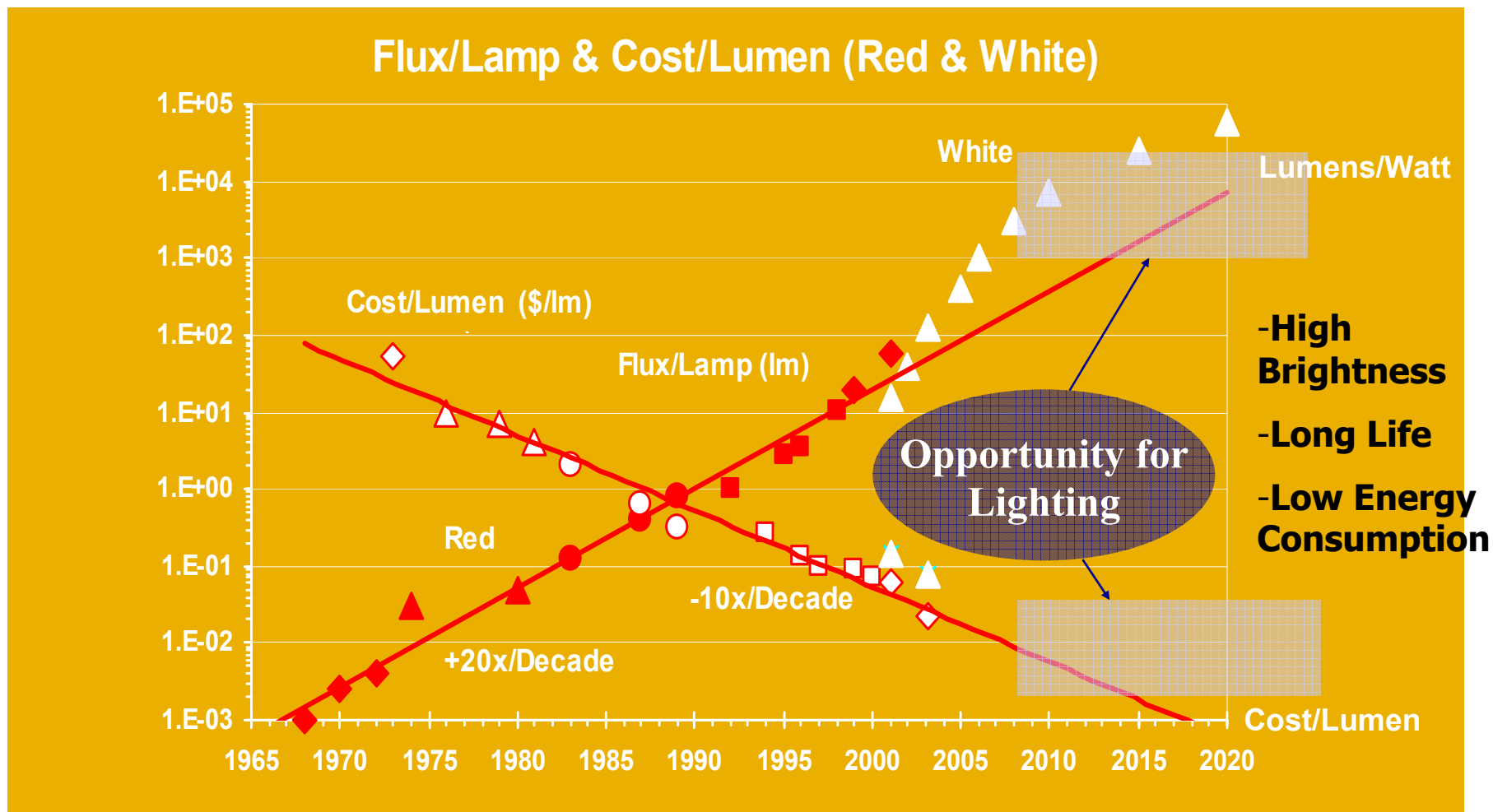


## Exhibit B-2

# HB LED FOR GENERAL ILLUMINATION...AT INCREASED BRIGHTNESS AND LOWER COST

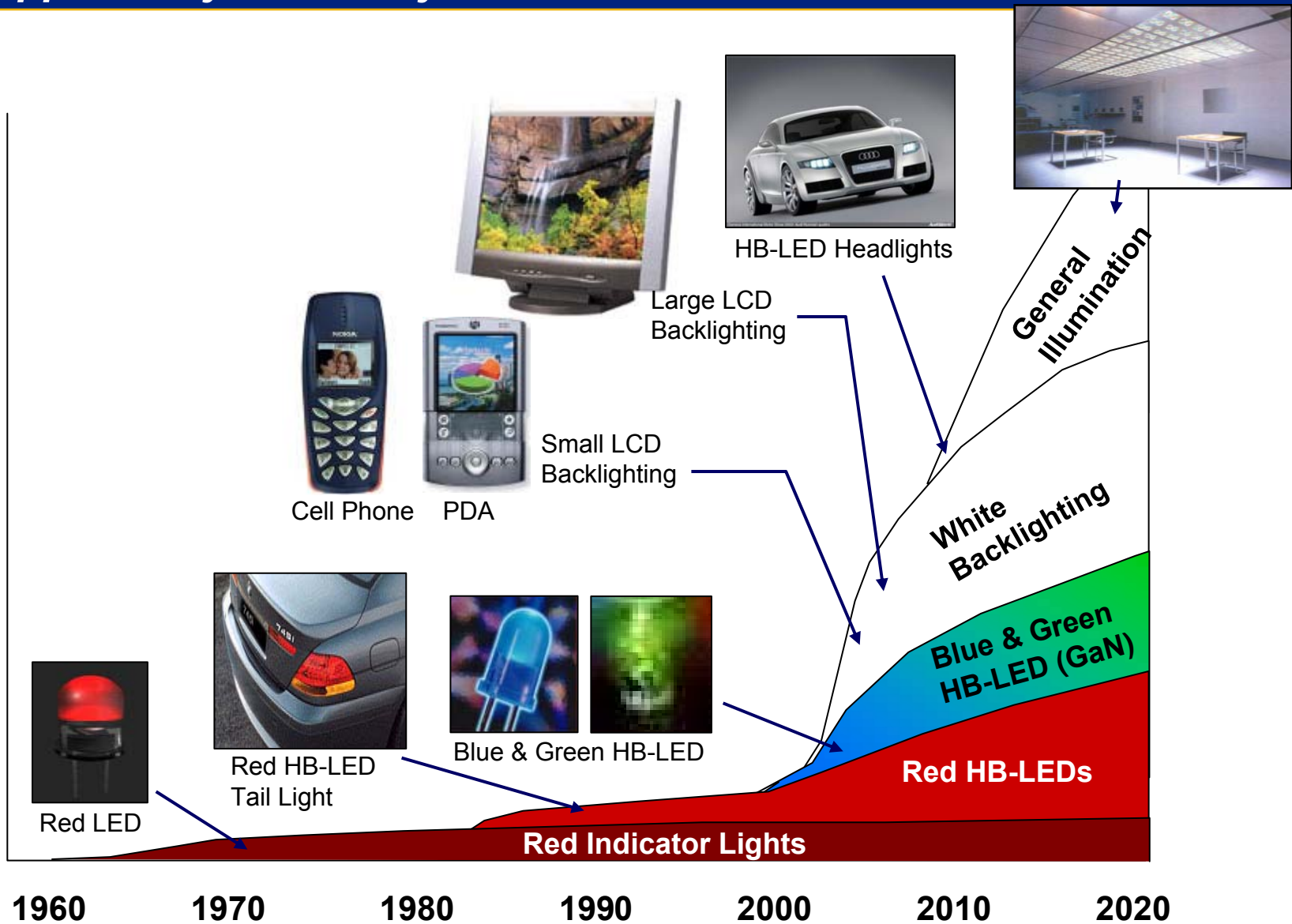


Source: R. Haitz, Strategies In Light 2004

# SOLID STATE LIGHTING GROWTH STORY

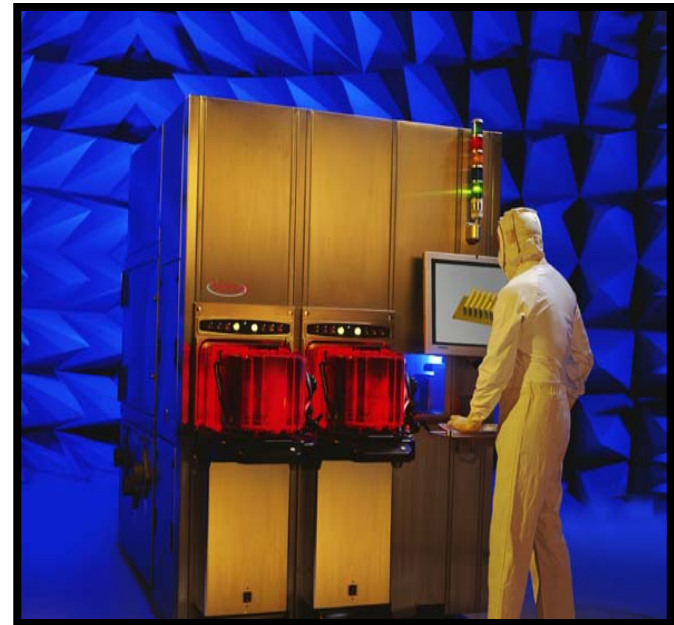
*...opportunity for multi year 20% CG*

Relative LED Unit Shipments

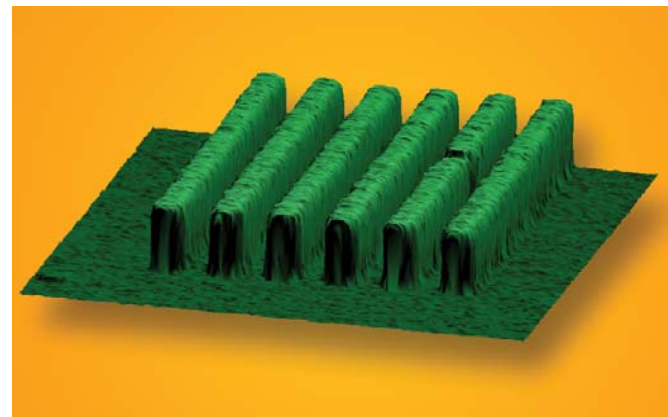
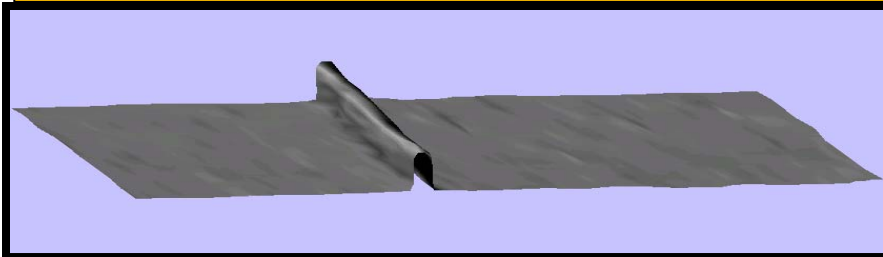


# VEECO'S SEMICONDUCTOR OPPORTUNITY: SHRINKING DIMENSIONS REQUIRE 3D METROLOGY

- Veeco has the broadest line of 3D AFM non-destructive Metrology solutions
- Our goal is to be a step ahead of industry roadmap...90...65...45nm
- Top 10 semi device manufacturers have at least one AFM in line wafer fab
- We have launched new systems for specific applications in [Etch](#), [CMP](#), [CD control](#), [Photolithography](#)



**26nm lines in R&D sample**



*Veeco Dimension X3D and 65nm scan*

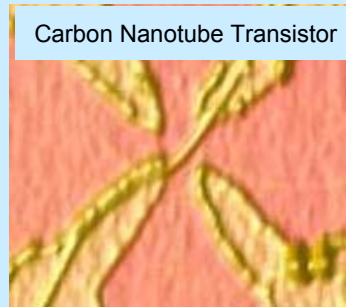
## **SEMICONDUCTOR...new AFM products increase Veeco's available market**

- Advances in Semiconductor process technology for deep etch, CMP, CD control, photo lithography and 300 mm wafer size continues... requires increased use of In Line Veeco AFM Metrology for 130, 90 and 65nm feature sizes
- Record Q2 Auto AFM orders of \$13.7M included 13 systems and (3) multiple system orders
- Top 10 Semiconductor Device manufacturers now have at least one Veeco AFM in failure analysis or in line wafer fab use...at 90 and 65 nm they will require 5-10 per fab...\$250M to \$300M opportunity over next 4 years
- ***First half Semiconductor orders of \$32.3 up 70% vs '03  
revenue of \$28.8 up 31% vs '03***

# VEECO'S SCIENTIFIC RESEARCH OPPORTUNITY: MULTI-DISCIPLINARY RESEARCH TOOLS

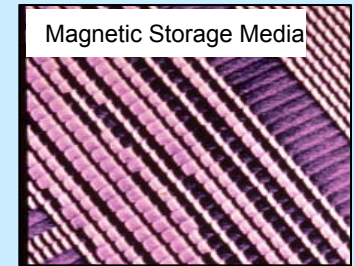
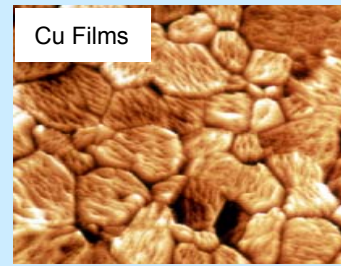
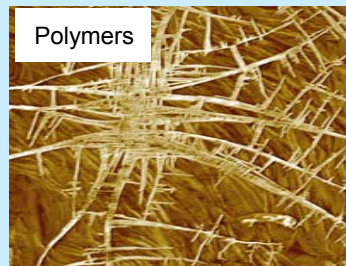
## *Nanotechnology*

- Nano Metrology
- Nano Manipulation



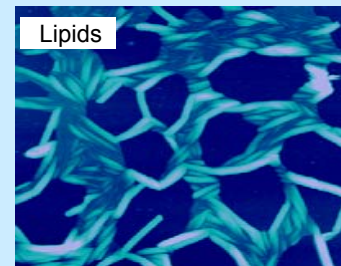
## *Materials Research*

- Semiconductor
- Future Data Storage
- Polymers



## *Life Sciences*

- Living Cells
- DNA
- Proteomics

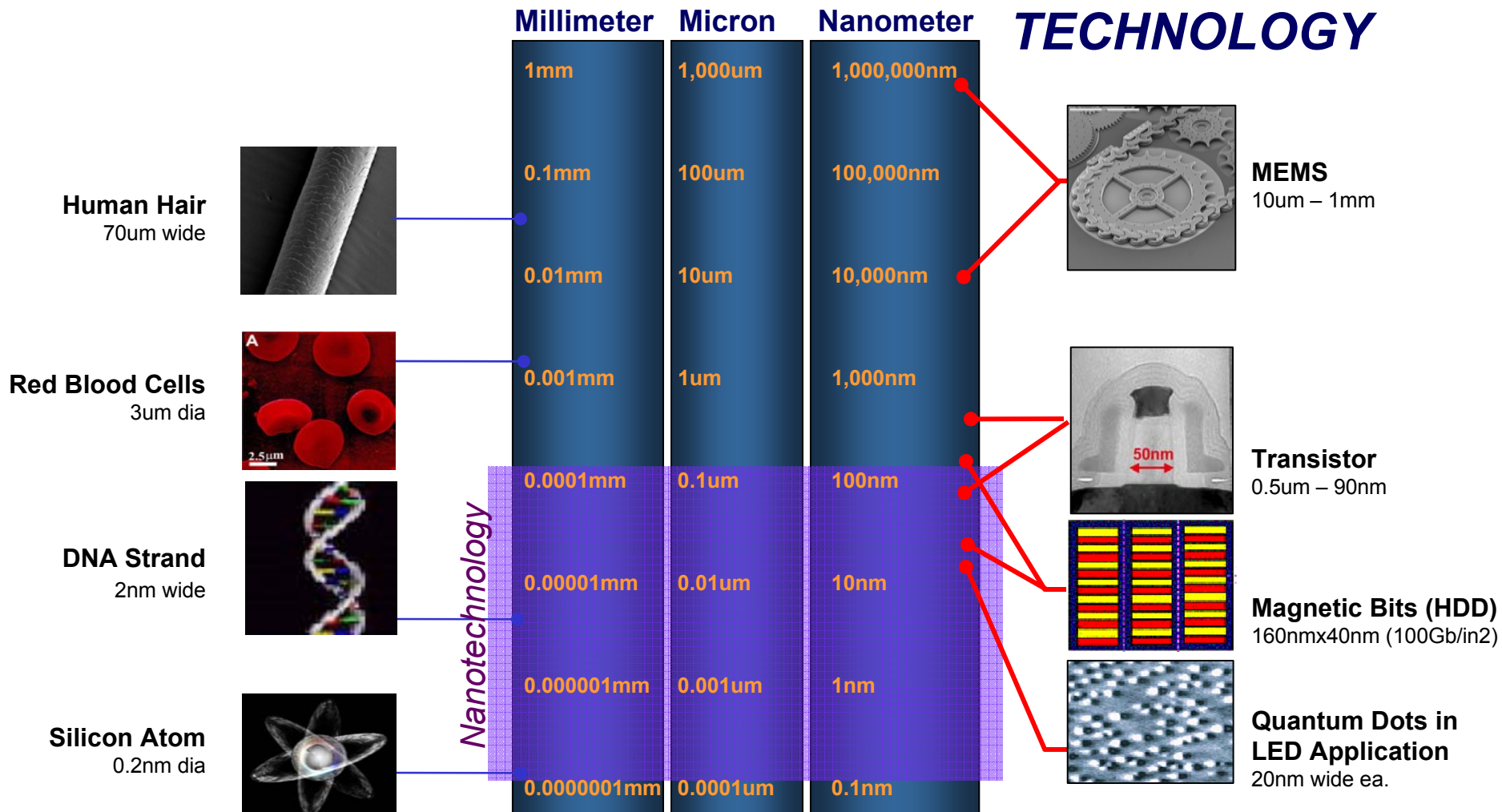




# THE NANOTECHNOLOGY SUB 100nm DOMAIN

## LIFE SCIENCE

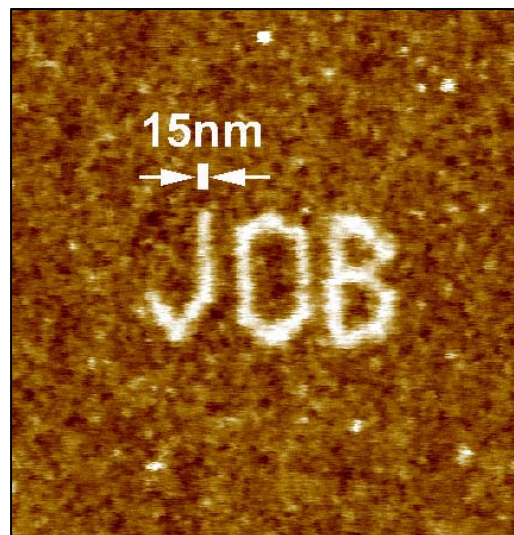
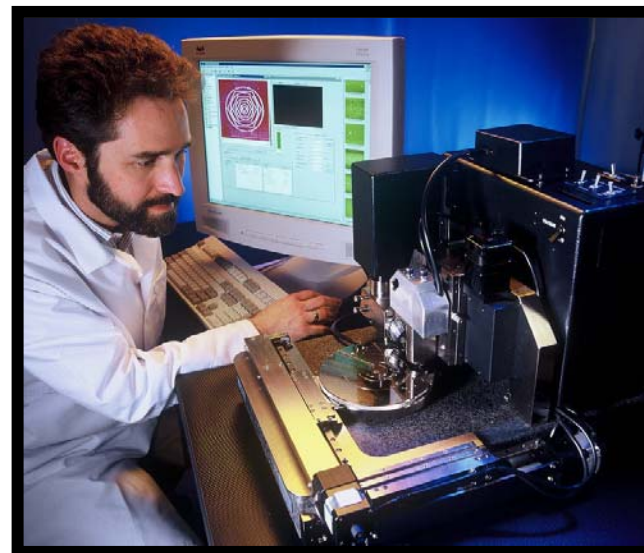
## INFORMATION TECHNOLOGY



*“All of the world’s industry is in its path”*

# VEECO'S SCIENTIFIC RESEARCH OPPORTUNITY: AFMS ARE RESEARCH INDUSTRY STANDARD

- Veeco's high resolution Atomic Force Microscopes (AFM) and new Scanning Probe Microscopes (SPM) have become the "industry standards" for atomic imaging and molecular measurements – "picks and shovels" of nanoscience
- Largest installed base: 7,000 tools
- Worldwide support and applications centers including high-growth regions such as China
- We have a unique "breadth of line" in nanoscience tools...we were the pioneer and our goal is to remain the innovator
- ***First half orders \$48M flat  
revenue \$56M up 2%***



***Veeco's NanoMan – No Job Too Small***





Solutions for a nanoscale world.



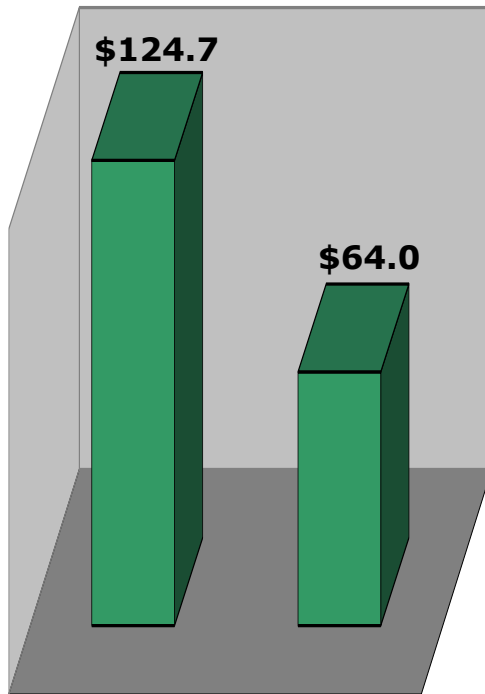
# FINANCIAL HIGHLIGHTS

**Jack Rein**  
**EVP and CFO**

# VEECO Q2 '04...

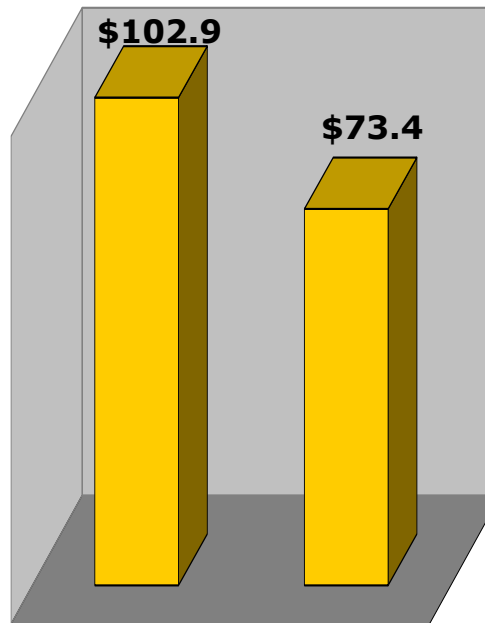
\$M

+95%



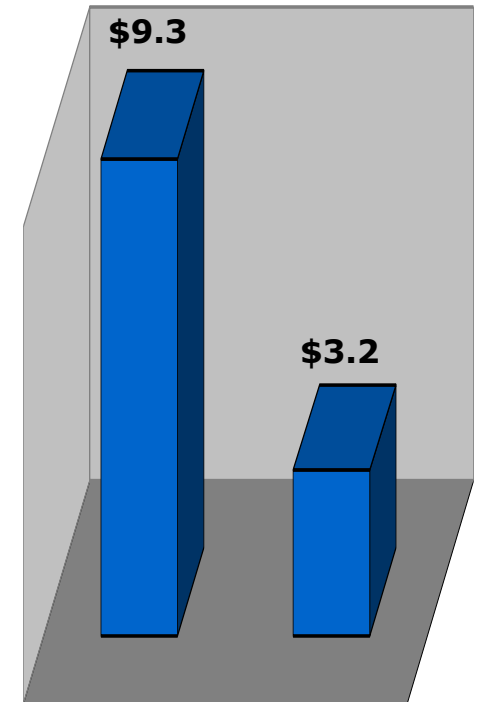
Q2 2004    Q2 2003  
Bookings

+40%



Q2 2004    Q2 2003  
Revenue

+189%



Q2 2004    Q2 2003  
EBITA\*

**GM down 0.5 points to 44.1%**

*Note: Book to Bill is 1.21 to 1*

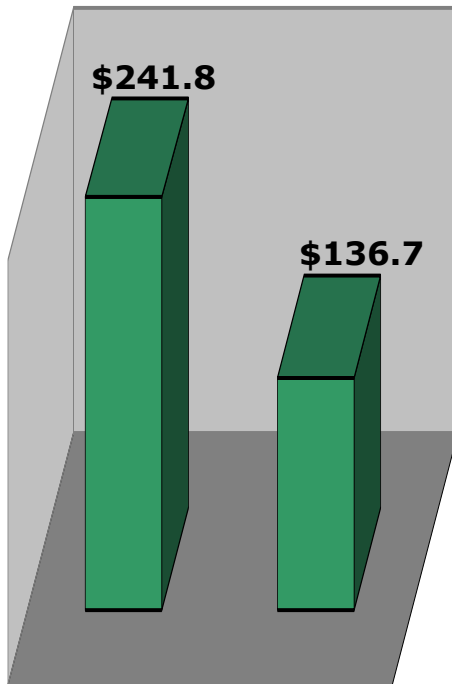
# VEECO 1H '04...

\$M

+77%

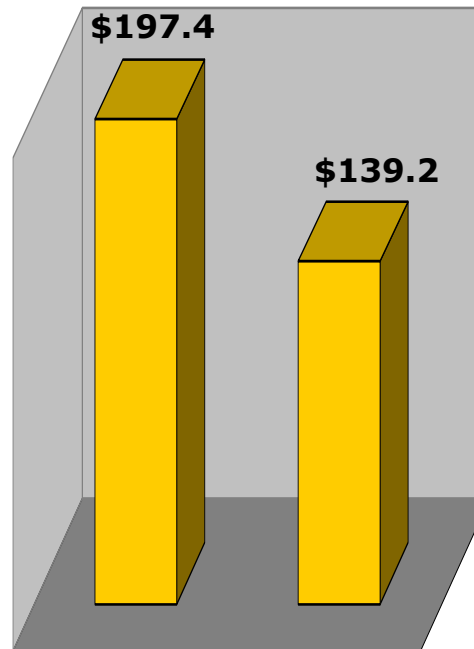
+42%

+169%



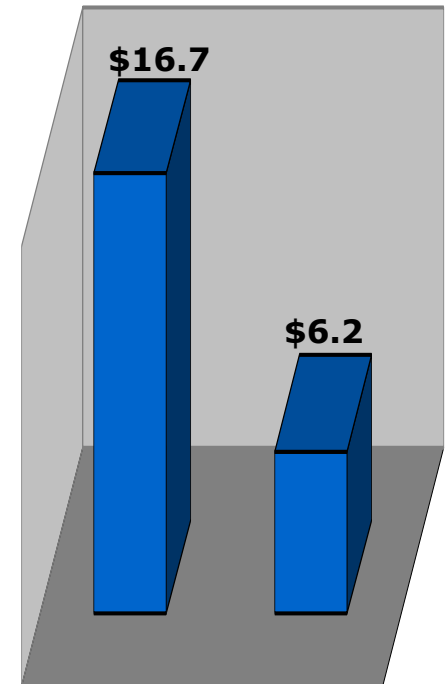
1H 2004 1H 2003

Bookings



1H 2004 1H 2003

Revenue



1H 2004 1H 2003

EBITA\*

**GM down 2.1 points to 43.9%**

Note: Book to Bill is 1.23 to 1

# MANAGEMENT HIGHLIGHTS...orders up 95%, revenue up 40%, EBITA up 189%

- Revenue \$102.9M, up 40% Y/Y, up 9% sequentially

- Up 9% Sequentially

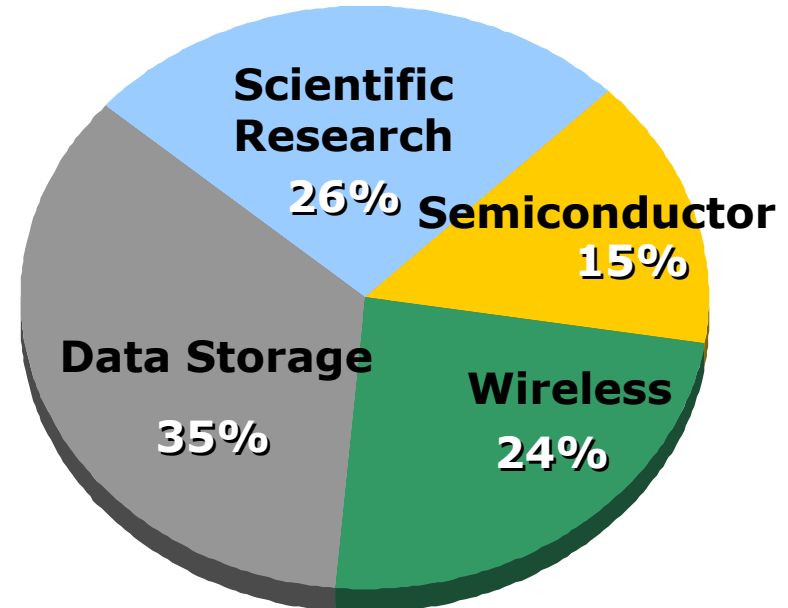
Data Storage	up 13%	\$35.5M
Semiconductor	up 17%	15.5
Wireless	up 19%	24.6
Scientific Research	down 6%	27.3
		<hr/>
		\$102.9M

- Up 40% Y/Y

- 5% Above Guidance \$103M vs \$98M guidance

- Strongest Performance in 10 Quarters

***Benefit of Market Diversity***



# MANAGEMENT HIGHLIGHTS

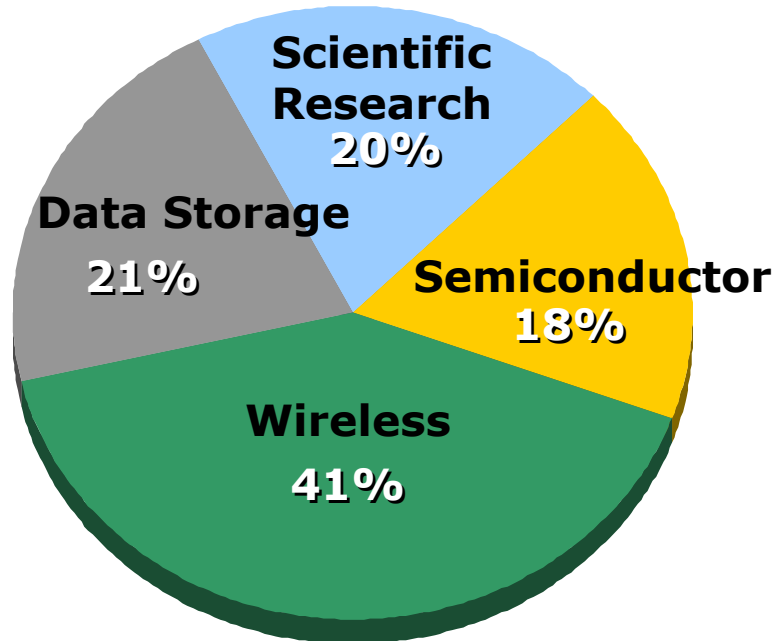
- **Bookings \$124.7M up 95% Y/Y; up 7% sequentially**

- **Up 7% sequentially**

Data Storage	down 41%	\$26.4M
Wireless	up 31%	\$51.1M
Semiconductor	up 121%	\$22.3M
Scientific Research	up 8%	\$24.9M
		<hr/>
		\$124.7M

- In line with guidance (\$120M to \$125M range)
- Book/Bill 1.21 to 1
- Strongest order performance in 14 quarters
- Backlog increased to \$164M

***Explosive Growth in HB LED & Semiconductor***





# Q204 FINANCIAL HIGHLIGHTS

- **EBITA \$9.3M; up 189% Y/Y, up 24% sequentially**
  - GAAP EPS \$.05
  - EPS excluding amortization \$.15 (\$.01 above top of guidance range of .11 to .14)
  - Q2 Gross Margin 44.1% vs 43.7% Q104
  - Cash positive \$5.6M
  - A/R...reduced to 62 days (DSO's)
  - Inventory increased \$3.7M (build of SAB 104)
- **Balance sheet remains strong... \$117M cash**

# GROSS MARGIN MODEL (*% of net sales*)

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>Q104</u>	<u>Q204</u>	<u>Target Model</u>
Metrology	56%	54%	52%	55%	53%	53%	55%	57%
Process Equipment	43%	40%	41%	32%	39%	37%	36.4%	44%
Total Gross Margin	47%	46%	45%	44%	46%	44%	44.1%	49%

# OPERATING MODEL *(% of net sales)*

	<u>1999</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>Q104</u>	<u>Q204</u>	<u>Target Model</u>
Net Sales	100%	100%	100%	100%	100%	100%	100%	100%
Gross Margin	47%	46%	45%	44%	46%	44%	44%	49%
SG&A	20%	20%	19%	26%	24%	21%	21%	17%
R&D	13%	14%	13%	18%	17%	15%	14%	14%
<b>EBITA</b>	<b>14%</b>	<b>12%</b>	<b>13%</b>	<b>0%</b>	<b>5%</b>	<b>8%</b>	<b>9%</b>	<b>18%</b>

## Q3 2004 GUIDANCE *(provided on July 26, 2004)*

- Overall, we see continued revenue growth for Veeco in the September quarter and through the remainder of 2004. Strong backlog enables initial look at Q4 as follows:
- Q3:
  - Orders in range of \$125-130 million
  - Revenues in the range of \$105-110 million
  - EPS excluding amortization in the range of \$0.15 per share to \$0.18 per share
  - GAAP EPS \$0.01 to \$0.04 per share
- Q4:
  - Revenues in the range of \$115-125 million
  - EPS excluding amortization in the range of \$0.29-\$0.34 per share
  - GAAP EPS \$0.20 to \$0.25 per share

# STRONG VEECO BALANCE SHEET

(\$ IN MILLIONS)

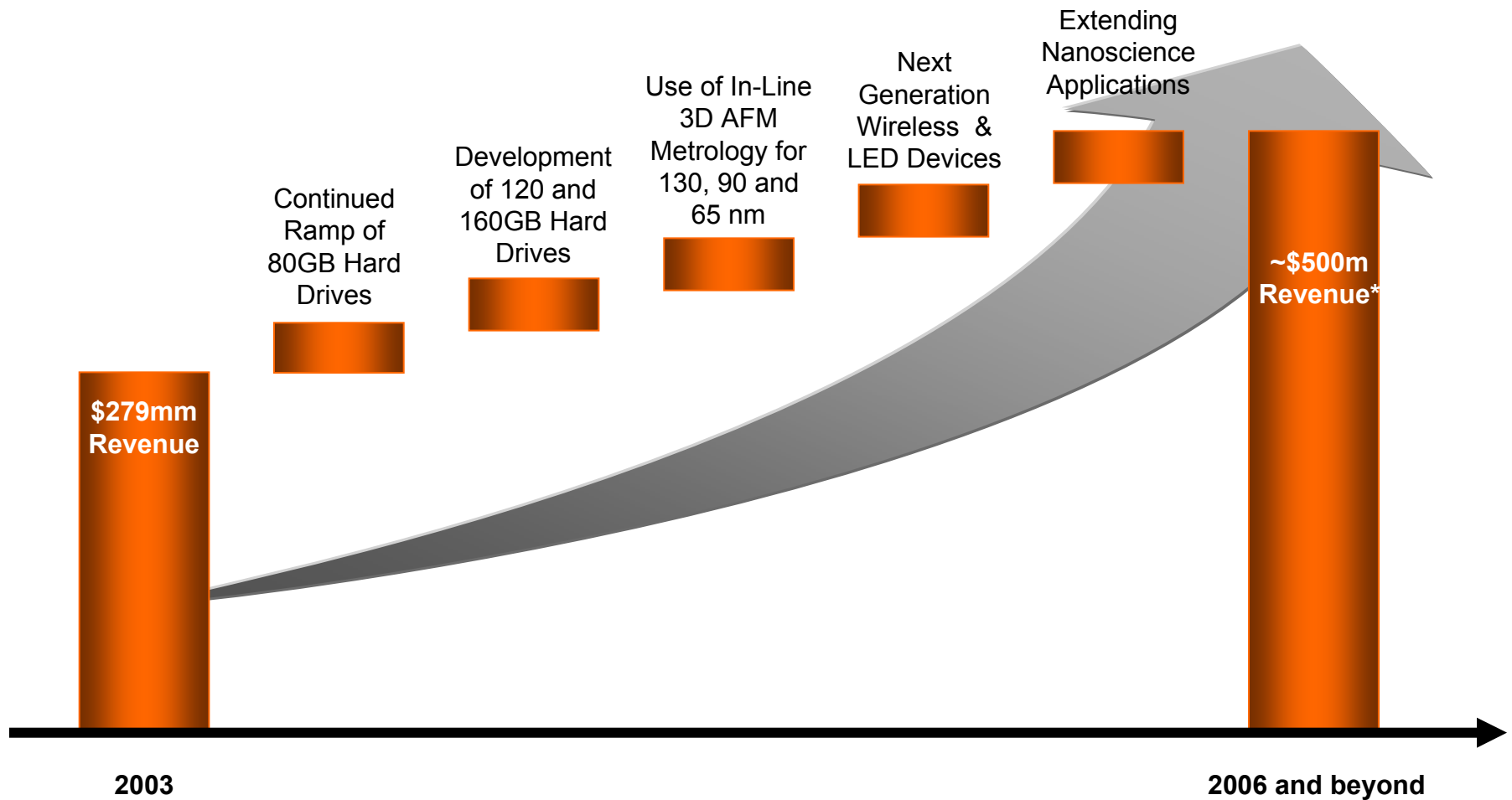
	June 30, 2004	Dec. 31, 2003
Cash and Investments	\$ 117.4	\$106.8
Working Capital	274.6	257.5
Fixed Assets	73.5	72.7
Total Assets	626.8	596.5
Long-Term Debt	229.8	230.0
Shareholders' Equity	\$ 309.7	\$ 306.3



# RECAP: VEECO INVESTMENT HIGHLIGHTS

- Veeco is at the convergence of wireless, digital consumer electronics
- Core products serve critical technology needs at world-class technology and research customers
- Enabling solutions address common challenges across multiple end-markets
- Stability and growth through diversity
- Niche leadership positions across all end-markets
- Comprehensive, integrated solutions for strategic markets
- Critical mass, distinctive technology and size and scope of a world class organization
- Strong financial results and growth prospects

# ATTRACTIVE UPSIDE FROM NEW OPPORTUNITIES WITHIN OUR REACH



# SAFE HARBOR STATEMENT

- *To the extent that this presentation discusses expectations about market condition, market acceptance and future sales of Veeco's products, Veeco's future financial performance, or otherwise makes statements about the future, such statements are forward-looking and are subject to a number of risks and uncertainties that could cause actual results to differ materially from the statements made. These factors include the challenges of continuing weakness in end market conditions and the cyclical nature of the telecommunications/wireless, data storage, semiconductor and research markets, risks associated with integrating acquired businesses and the acceptance of new products by individual customers and by the marketplace and other factors discussed in the Business Description and Management's Discussion and Analysis sections of Veeco's Annual Report on Form 10-K, subsequent Quarterly Reports on Form 10-Q and current reports on Form 8-K .*

**Veeco Instruments Inc.**  
**Reconciliation of Operating Income (Loss) "GAAP Basis" to EBITA**

		ADJUSTMENTS							Earnings excluding certain charges before interest and income taxes ("EBITA")	
		Operating income (loss) "GAAP basis"	Amortization expense	Asset impairment charges	Inventory write- offs	Merger and restructuring expenses	Write-off of deferred charges	Purchase accounting adjustments		Write-off of purchased in- process technology
FOR THE YEARS ENDING										
2004 (1)	\$	23,169	\$	18,250	\$		\$	1,498	\$	42,917
2003		(9,325)		13,800		5,403		1,664	1,500	13,042
2002		(137,895)		13,323	99,663	15,000	11,248			1,339
2001		20,325		9,469	3,418	13,547	3,046		8,200	58,005
2000		7,138		3,736	3,722	15,322	14,206			44,124
1999		39,709		479		2,600			2,474	45,262
1998		21,837		389		7,500	675			30,401
1997		38,994		276		2,250			4,200	45,720
1996		37,900		200						38,100
1995		24,200		200						24,400
1994		8,000		300						8,300
FOR THE QUARTERS ENDING										
Jun-04		4,696		4,575						9,271
Mar-04		1,071		4,896				1,498		7,465
Dec-03		(6,025)		4,237		2,142		1,664	1,500	3,518
Sep-03		(1,757)		3,262		1,804				3,309
Jun-03		(739)		3,159		789				3,209
Mar-03		(804)		3,142		668				3,006

(1) Consensus analyst forecast as of August 17, 2004

**Veeco Instruments Inc.**  
**Reconciliation of Gross Margin and Operating Profit/EBITA Percentages**

Revenues	Cost of Sales	Gross Profit	Gross Profit Percentage	Inventory write-offs	Purchase accounting adjustments	Adjusted Gross Profit	Adjusted Gross Profit Percentage	Operating Income (Loss)	Operating Income (Loss) Percentage
----------	---------------	--------------	-------------------------	----------------------	---------------------------------	-----------------------	----------------------------------	-------------------------	------------------------------------

**FOR THE YEARS ENDING**

2003	\$ 279,321	\$ 152,307	\$ 127,014	45.5%	\$	\$ 1,664	\$ 128,678	46.1%	\$ (9,325)	-3.3%
2002	298,885	183,042	115,843	38.8%	15,000		130,843	43.8%	(137,895)	-46.1%
2001	449,251	260,148	189,103	42.1%	13,547		202,650	45.1%	20,325	4.5%
2000	376,113	219,578	156,535	41.6%	15,322		171,857	45.7%	7,138	1.9%
1999	312,446	164,783	147,663	47.3%			147,663	47.3%	39,709	12.7%

**FOR THE QUARTERS ENDING**

Jun-04	102,884	57,541	45,343	44.1%			45,343	44.1%	4,696	4.6%
Mar-04	94,487	54,649	39,838	42.2%		1,498	41,336	43.7%	1,071	1.1%
Dec-03	76,949	44,234	32,715	42.5%		1,664	34,379	44.7%	(6,025)	-7.8%
Sep-03	63,144	32,845	30,299	48.0%			30,299	48.0%	(1,757)	-2.8%
Jun-03	73,449	40,655	32,794	44.6%			32,794	44.6%	(739)	-1.0%
Mar-03	65,779	34,573	31,206	47.4%			31,206	47.4%	(804)	-1.2%



**Veeco Instruments Inc.**  
**Reconciliation of operating income (loss) to earnings excluding certain charges**  
(In thousands, except per share data)  
(Unaudited)

	<b>Veeco Guidance</b>		<b>Veeco Actuals</b>	
	<b>Three months ended</b>		<b>Three months ended</b>	
	<b>September 30, 2004</b>		<b>June 30,</b>	
	<b>High</b>	<b>Low</b>	<b>2004</b>	<b>2003</b>
Operating income (loss)	\$6,346	\$4,938	\$4,696	(\$739)
Adjustments:				
Amortization expense	4,400	4,400	4,575	3,159
Restructuring expense				789
Earnings excluding certain charges before interest, income taxes and amortization ("EBITA")	10,746	9,338	9,271	3,209
Interest expense, net	2,300	2,300	2,239	1,886
Earnings excluding certain charges before income taxes	8,446	7,038	7,032	1,323
Income tax provision at 35%	2,956	2,463	2,461	463
Earnings excluding certain charges	<u>\$5,490</u>	<u>\$4,575</u>	<u>\$4,571</u>	<u>\$860</u>
Earnings excluding certain charges per diluted share	\$0.18	\$0.15	\$0.15	\$0.03
Diluted weighted average shares outstanding	30,500	30,500	30,177	29,480

NOTE - The above reconciliation is intended to present Veeco's operating results, excluding certain charges and providing income taxes at a 35% statutory rate. This reconciliation is not in accordance with, or an alternative method for, generally accepted accounting principles in the United States, and may be different from similar measures presented by other companies. Management of the Company evaluates performance of its business units based on EBITA, which is the primary indicator used by management to plan and forecast future periods. The presentation of this financial measure facilitates meaningful comparison with prior periods, as management of the Company believes EBITA reports baseline performance and thus provides useful information.